# Proposals to Implement an Africa RISING Ethiopian – Highlands Research Component

**Value Chain Analysis and Functional Multi-Stakeholder Platforms of Cereal-Based Systems in the Ethiopian Highlands: Building Partnerships for Impact through Research on Sustainable Intensification of Farming Systems**

This research component has three parts:

* Participatory market opportunity identification, and
* Participatory value chain analyses and characterisation of actors and linkages
* Establishment of functional multi-stakeholder platforms

Cereal-based systems in in Ethiopia have the potential to increase agricultural productivity, food availability, farm incomes and nutrition and reduce poverty if sustainable agro-ecological intensification is well carried out. However, cereal systems need to be well identified and accepted by the farmer beneficiaries through well-grounded information and capacity building. This proposal requests funding to carry out value chain analysis of cereal based systems in Ethiopia in order to produce outputs focusing on mapping areas of production and marketing of grain legumes; and cataloguing of the best bet cereal systems and products for each cropping system and their applicability in various agro-ecologies and regions in Ethiopia. In addition, the project will map out potential partners and networks to support the shift to sustainable intensification through cereal-based systems. The proposal’s outputs link directly to other research components of multi-stakeholder platforms where it will enable the engagement of key players across the value chains through multi-stakeholder (innovation) platforms as well as to communication, and information and knowledge management systems. These will support the longer term objectives of sustainable intensification of farming systems in Ethiopia.

The goal of this project is to contribute to improved sustainable productivity, added value and competitiveness of the cereal based systems in Ethiopia through enhanced utilization of technologies and innovations. It will also validate and promote the potential of multi-stakeholder platforms as a more coordinated and cohesive approach to improve delivery and impact of agricultural research, and assist in the recovery and rehabilitation of agricultural systems.

The objective is to support the development of Africa RISING research-for-development project through conducting value chain analyses that will contribute to building multi-stakeholder partnerships and platforms to implement innovations in the agricultural sector in Ethiopia. It will identify and promote innovative approaches for identifying market opportunities and increasing the participation of the rural poor in more efficient markets while promoting the participation of the private sector.

## Partnerships

**CIAT (Lead):** Skills in value chain analyses and agro enterprise development as well as facilitating market led-innovation platforms, and market value chain research in the agricultural sector. Other knowledge and skills relate to participatory opportunity identification, participatory value and market chain analyses and market research and facilitation skills. Others are methods of identification and evaluation of value chain actors, gendered participatory constraint analysis, market research and facilitation. In addition, experiences and lessons learnt under the Sub-Saharan challenge programme on innovation platforms which are the flagship of integrated Agricultural research for development (IAR4D), as well as action research processes that are required during the establishment and implementation of the expected platforms.

**ILRI**: experience in value chains under IPMS LIVEs projects

**ICRAF:** experience on value chains from agroforestry perspectives and socioeconomic research

**CIP:**  experiences in the development of the potato value chains

## National partners: knowledge of the local production environment and linkages to the extension and policy processes

## Research Questions Hypotheses Addressed

The research questions to be addressed by the project as summarized as follows:

* What determines the kind of enterprises selected by farmers and other marketers and what trade-offs exist in the selection of the enterprises?
* What enterprises/enterprise combinations provide highest economic returns to farmers?
* What is the current skill level for value chain analysis among the key actors and facilitators?
* What role does profitability play in the selection of enterprises by farmers?
* What approaches increase participation of the rural poor and women in profitable markets?
* What kind of intervention approaches will allow farmers to respond to market demands and opportunities?
* What kind of institutional arrangements will allow women and the marginalized to benefit quickly from market led technology interventions?
* What partnerships can guarantee sustainability of promoted interventions?
* What trade-offs are available between household food security and increased market access?

**Hypotheses**

* Households that select enterprises on the basis of expected profit or economic motives have a higher chance of achieving their livelihood needs
* Enterprises selected for promotion in a participatory manner have a higher chance of success among the producers than if selected in alternative approaches
* Participation of women in value chains enhances the sustainability of the enterprises
* Farmers that participate in adaptive research and promotion of productivity enhancing technologies that respond to stakeholders demand and market opportunities of selected value chains are more likely to benefit in terms of food and income security.
* institutional arrangements and policies that generate returns faster are more likely to be adopted by farmers and other value chain actors
* Building partnerships between the public, private sector and the farmers will strengthen their capacities for achieving impacts at scale and hence sustainability of market led interventions.
* The selection of technologies by farmers depends primarily on the availability of family labour and market access

## Approaches

**The overall approach used in the project is Participatory Market Development:**

A key feature of this project is to build capacity of local stakeholders and farmers organizations to identify market opportunities through participatory market research approaches and market chain analysis. The project will support action research to improve collective marketing, entrepreneurship skills, and fostering partnerships with the private sector at different stages of the value chain to improve supply and demand of improved technologies. The project will develop and promote differentiated strategies and approaches for identifying and expanding market opportunities under cereal based systems) and diversifying into higher-value agro-enterprises. Participatory action research under this output will focus on: (1) identifying opportunities for expanding market access and sustained commercialization of staple crops and high-value agricultural commodities; (2) market studies and market chain analysis to understand and delineate demands, markets, products and market conducts (3) market chain analyses for identification of constraints and opportunities for small farmer participation in more profitable and competitive markets; (4) analyzing options for increasing market efficiency, agricultural trade, and market participation of smallholders in domestic, regional, and global markets. The sub-components are explained further below:

**Participatory market opportunity identification**.

Enhancing the ability of smallholder farmers to access market opportunities or link to profitable markets, and diversify their links with markets is one of the most pressing development challenges in Africa. The identification of market opportunities will combine participatory market research (PMR) with formal market surveys. PMR is an iterative process that builds community and entrepreneurs capacities to undertake market research, identify demand for existing crops and products that can be produced profitably in the area without damaging the resource base. Formal market studies will use a multi-market (sub-national regional) model to delineate markets, products, demands, market conduct and performance. The information gathered through the two approaches will be analyzed and used for screening and selection of preliminary list of agro-enterprise options, based on economic, agronomic, financial and community criteria. The surveys will be implemented through rapid appraisals (RMA) of local, regional, and national and international markets in the different regions. This will identify what products are readily available in the markets and what products are likely to have higher potential in the markets in future. Volumes, prices, availability and sources of the products are some of the data to be collected. A large number of products can be collected (over 10 to as many as 20 or 30)

Farmers will analyse the information on products and opportunities in the markets based on defined criteria (such as production, marketing, profitability and also risk levels). This will systematically filter the large set of products to several products (e.g. 3-5 products that can be further analysed in terms of income potentials and attractiveness. Tools such as Ansoff’s matrix are used in the analysis (for risks and capabilities of farmers for those that would like to go beyond existing products and markets). Information from expert opinion made available on what is feasible for production in the different regions is to be made available to the farmers to aid in decision making. Ultimately, 1-2 products are selected by the farmers that are further analysed under deliverable 2 below via value chain analyses (extended and detailed value chain analyses).

**Participatory market chain analysis**

This will be conducted for the selected enterprises to identify bottlenecks and actors involved in the supply chain, and develop plans and strategies to overcome them. Some of these constraints especially those related to production will lead to farmer’s experimentation, adaptive and strategic research. An inventory of existing business development services and demands for new services will be assessed to detect gaps in the capacity of existing services to support the agro-enterprise. These may include input supply systems, microfinance, business support services, and other market institutions.

It will involve a more detailed analysis of each of the selected value chains to generate information on how the entire value chain or sub-sector is organized, operated, or performs, to identify constraints and opportunities, specific components of the value chain that are most appropriate and to prescribe interventions at all chain levels as well as the potential for BDS. It will evaluate the market channels, destinations, market segments/consumer segments, and reviews of the value chain functions while ensuring that the farmer participates as much as possible. Some of the key activities under the approach as summarized below:

* Decide which markets to carry out the surveys, at what stages of the chain to focus on for the different products of interest and outline the sub-sector map
* Conduct focussed literature search and collect and tabulate secondary information, and generate a menu of intervention options based on farming experiences in the localities.
* Identify, select and conduct semi-structured information interviews and visit physical facilities including markets
* Share and discuss findings, draft report, and present to clients and stakeholders so that they can participate in the decisions and enterprises to invest in
* Revise report and feedback and propose next steps: enterprise plan, innovations and coordination institutions, further research, appropriate platforms to implement the value chains.
* Research topics for further improving the efficiency and internal governance / equity of priority value chains will be identified

Tools such as gross margin and profitability analyses are used to make decisions on appropriate products and interventions to use.

The deliverables will be achieved through activities on research, analysis and information management, communication and knowledge sharing. The activities include:

1. Collecting data from primary and secondary sources. Primary data will be collected through questionnaire interviews surveys with key players along the value chains and key informants. Secondary data will be collected from the Ministries of Agriculture, national statistical offices, farm and agribusiness surveys that have been conducted, farmers’ organizations, trade associations and existing databases, such as the Rural Incomes Generating Activities (RIGA) income consumption surveys, FAOSTAT, and Living Standards Measurement Study (LSMS).
2. Developing and analyzing spatially disaggregated time series production data bases
3. Compiling value chain maps to organize the data, analyzing data to reveal opportunities and constraints within the chains
4. Compiling catalogues of best bet components to resolve the constraints
5. Determining interventions and points of leverage for targeting research investments to have large-scale impact and designing strategies for sustainable intensification of farming systems through cereal based systems
6. Mobilizing and vetting strategies with stakeholders, establishing innovation platforms and communication and knowledge sharing systems and developing a longer term research agenda for sustainable intensification of farming systems through cereal based systems

**Characterization of value chain actors and linkages**

This output will be based on the Participatory Market Chain Analysis methods. : The output will focus on the key actors, business support/technical services and interrelationships (linkages) between them in the value chain and how they can contribute to a multi-stakeholder platform required to improve the value chains. It will also be imperative to understand other potential members who are not yet engaged and how they could contribute to the efficient and effectiveness of the value chains and platforms.

The specific activities/deliverables are

* identify and characterize current and potential actors at each stage of the value chain including their functions
* identify and evaluate what services are available and required to support the value chain actors and their service providers
* Identify and evaluate the nature of linkages between the different actors in the market chains focussing on how these can be strengthened and built upon to improve value chain transactions and the platforms.

**Functioning multi-stakeholder platforms**

The innovation system approach calls for changes in the way agricultural research and development interventions are conducted (Hall et al., 2001; Sayer & Campbell, 2001). Within this framework, there is recognition for the need of more pluralistic arrangements in conducting research with greater/primary role for farmers, civil society, and other non-research organizations (and especially the private sector), participating in determining the research agenda and getting engaged right from inception through planning, implementation, participatory monitoring and evaluation rather than just acting as conduits and/or recipients of technologies and services. Stakeholder participation and ownership form key cornerstones of this new paradigm of agricultural research *for* development (IAR4D) that aims to improve the relevance, efficiency, equity, ownership, sustainability and impacts of agricultural research and development interventions, technologies, natural resources management strategies and innovations.

With regard to value chain development, this project aims at building such multi-stakeholder platforms, referred to in this piece as the “Innovation Platform[[1]](#footnote-1)”, for bringing quality benefits to more people in a participatory manner which ensures sustainability and in a relatively short time which ensures interest among stakeholders. . The focus is to create, manage, monitor and promote “innovation platforms” in designing and implementing collaborative action research in order to increase the delivery of benefits to end users, male and female small scale farmers and rural entrepreneurs in the region, in a collaborative manner and in time. The Platforms give rise to a more cohesive and integrated way of working together that generates and accelerates greater impacts of technologies and approaches that mobilize and engage rural communities, thus reducing vulnerability of the poor and rebuilding their agricultural-based livelihood systems. Thus this proposal can be considered as scaling out the successes and lessons learnt from FARA’s innovation platform approaches to wider scales and regions in the Ethiopian Highlands.

The purpose of the component is to validate and promote the potential of multi-stakeholder platforms as a more coordinated and cohesive approach to improve delivery and impact of agricultural research. To add value to, and enhance impacts the Africa Ring Ethiopia project proposes strengthening innovations in the following key areas:

1. **Innovation Platforms** This project intends to bring together stakeholders along the production-to-consumption and policy continuum, with complementary skills and expertise, on the principles of mutual learning, resources sharing and knowledge management that facilitate attitude and institutional changes to form “Innovation Platforms”. The “Innovation Platform**” (IP)** is a collective learning and capacity building process with evolving roles and responsibilities of multiple stakeholders that facilitates the sharing, co-generation and spread of agricultural knowledge, skills and technologies. IP provides a platform where local innovations and knowledge interact with scientific knowledge to achieve greater synergies, and put research results into use.
2. **Value chains.** This project will identify market opportunities, and develop integrated strategies for competitive production and marketing of selected value chains. The project will develop and or strengthen at least two value chains per region that have better market opportunities and develop them into sustainable community-based integrated agro-enterprise projects.
3. **Institutional Innovations**. This project will promote innovative institutional arrangements that facilitate multi-stakeholder partnerships accelerate adoption and impacts of technologies
4. **Producer-Market Associations.** The proposed project will focus on creating producer-market associations and networking them to undertake larger scale issues in collective marketing, watershed management, policy advocacy and linking with service providers and local government and vice versa.
5. **Strengthening capacity of the ‘demand side”** to better organize value chain actors and especially the farmers to articulate their needs, problems and/or opportunities, their strengths and weaknesses and areas which provides win-win for all the value chain actors. Special focus will be on strengthening existing farmers’ organizations to network and form producers and marketing networks, and then building their capacities to identify, access, and profit from market opportunities.

A key feature of this project is to build capacity of local stakeholders and farmers organizations to identify market opportunities through participatory market research approaches. The project will support action research to improve collective marketing, entrepreneurship skills, and fostering partnerships with the private sector at different stages of the value chain to improve supply and demand of improved products and technologies as well as managing the knowledge and building the capacity of the extension systems. The project will develop and promote differentiated strategies and approaches for identifying and expanding market opportunities and diversifying into higher-value added agro-enterprises. It will also evaluate options for developing integrated agro-enterprise projects; and test and evaluate alternative financial mechanisms to support community-based agro-enterprise projects during the implementation period.

**Deliverables**

* A rapid stakeholder analysis of the key partners and mapping stakeholder actions and interactions to explore interests and capacities of market chain actors to jointly work towards improving the value chains
* Facilitate establishment of a stakeholder platform steering group to prepare and guide the preparation of the multi stakeholder platform(s)
* Capacity build identified value chain actors on how to operationalize their platform
* Design participatory based monitoring and evaluation tools for platform management and implementation activities
* Action research on the functioning of multi-stakeholder platforms and implications for value chain development and technology uptake among smallholders
* An ex-ante evaluation of the potential for multi-stakeholder platforms among the key actors/partners in the different regions.

## Linkages

The platforms will draw heavily from analyses conducted in research component s 1 and 2. The component will contribute to the research component 5 where technologies that support marketable enterprises for the stakeholders will be validated for impact and later scaled out in research component 6.

## Budget

USD 300000

1. The Innovation platform is embedded in the concept of integrated agricultural research for development (IAR4D) as advocated by the sub-Saharan Africa Challenge Program (SSA-CP), led by the Forum for Agricultural Research in Africa (FARA). In this document use of multi-stakeholder platforms or simply platforms will have similar meaning to innovation platforms [↑](#footnote-ref-1)